Railroad Retirement System

Annual Report Required by Railroad Retirement Act of 1974 and Railroad Retirement Solvency Act of 1983

U.S. Railroad Retirement Board
Bureau of the Actuary
June 2002

ANNUAL ACTUARIAL REPORT REQUIRED BY RAILROAD RETIREMENT ACT OF 1974 AND RAILROAD RETIREMENT SOLVENCY ACT OF 1983

I. INTRODUCTION

Section 22 of the Railroad Retirement Act of 1974 requires the Railroad Retirement Board to prepare an annual report containing a five-year projection of revenues to and payments from the Railroad Retirement Account and to submit the report to the President and the Congress by July 1. Beginning in 2003, the report must also contain a five-year projection of the account benefits ratio and average account benefits ratio. If the five-year projection indicates that funds in the Railroad Retirement Account will be insufficient to pay full benefits, (1) representatives of railroad employees, railroad carriers and the President must submit proposals to the Congress to preserve the financial solvency of the Railroad Retirement Account, and (2) the Railroad Retirement Board must issue regulations to reduce annuity levels during any fiscal year in which there would be insufficient funds to make full payments.

Section 502 of the Railroad Retirement Solvency Act of 1983 requires the Railroad Retirement Board to prepare an annual report on the actuarial status of the railroad retirement system and to submit the report to the Congress by July 1. The report must contain recommendations for any financing changes which might be advisable, including (1) changes in the tax rates, and (2) whether any part of the taxes on employers should be diverted to the Railroad Unemployment Insurance Account to aid in the repayment of its debt to the Railroad Retirement Account.

This report is intended to meet the requirements of Section 22 and Section 502 for 2002.

II. SUMMARY OF RECENT DEVELOPMENTS

The Railroad Retirement and Survivors' Improvement Act of 2001 (RRSIA), enacted on December 21, 2001, provided several changes in benefit and financing provisions.

1. Early retirement reductions applied to the annuities of 30-year service employees retiring before age 62 and their spouses were eliminated for employees retiring on or after January 1, 2002. Benefits for employees retiring prior to January 1, 2002, and their spouses were not changed.

2. Effective February 1, 2002, an initial minimum widow(er)'s benefit is computed at the time of the award in the same manner as prior law except that the widow(er) tier 2 benefit is increased from 50% of the employee's tier 2 amount to 100% of the employee's tier 2 amount. The initial minimum benefit is not adjusted for cost-of-living increases. As a result, the widow(er)'s annuity does not increase until the annuity calculated under prior law exceeds the minimum guarantee

amount. For widow(er) annuities awarded prior to February 1, 2002, the minimum annuity is computed as of the time of initial award, and the annuity rate is increased beginning February 1, 2002, if the minimum amount exceeds the amount payable under prior law.

3. The maximum annuity limitation applied to the amount of combined employee and spouse benefit payments was eliminated effective January 1, 2002. For employees and spouses awarded annuities prior to January 1, 2002, which were reduced due to the maximum limitation, the benefit rate will be increased effective January 1, 2002.

4. Vesting provisions were liberalized by providing eligibility based on either 60 service months after 1995 or 120 total service months. Annuities based on 60 service months after 1995 may not be awarded until January 1, 2002. In addition, employees with less than 120 service months are not eligible for tier 2 disability benefits before age 62.

5. A National Railroad Retirement Investment Trust (NRRIT) is established to manage and invest assets. The NRRIT may invest in non-governmental assets, such as equity and debt securities, as well as governmental securities. The portion of the Railroad Retirement Account (RRA) not needed to pay current administrative expenses and the portion of the Social Security Equivalent Benefit Account (SSEBA) not needed to pay current benefits and administrative expenses is to be transferred from time to time to the NRRIT in such a manner as to maximize investment return to the Railroad Retirement system. The NRRIT will pay tier 2 benefits, supplemental annuity benefits and the portion of tier 1 benefits in excess of the social security level. The SSEBA will continue to pay the social security level of benefits.

6. The Railroad Retirement Supplemental Account is to be eliminated, and its balance is to be transferred to the NRRIT.

7. The supplemental annuity work hour tax is repealed for calendar years after 2001.

8. The combined employer and employee tier 2 tax rate is changed from 21% in calendar year 2001 to 20.5% and 19.1% in calendar years 2002 and 2003, respectively. Beginning in calendar year 2004, the tier 2 tax rate will be determined from a tax rate table based on the Average Account Benefits Ratio (AABR). The Account Benefits Ratio (ABR) is determined by dividing the fair market value of the assets in the RRA and NRRIT (and SSEBA for years before 2002) as of the close of a fiscal year by the total benefits and administrative expenses paid from the RRA and NRRIT during the fiscal year. The AABR is the average of the ABR’s for the 10 most recent fiscal years. If the 10-year average is not a multiple of 0.1 it is increased to the next highest multiple of 0.1. The tier 2 tax rate for calendar year 2004 will be determined by the AABR computed as of September 30, 2003.

As a result of the RRSIA, certain changes were required in actuarial assumptions and methods from the 21st Actuarial Valuation.[1]

III. RAILROAD EMPLOYMENT

Over the years, the main source of income to the railroad retirement system has been a payroll tax on railroad employment. The amount of income that the tax produces is directly dependent on the number of railroad employees covered under the system.

An abbreviated history of average railroad employment from 1955 through 2000 is shown in the following table.

Year	Average employment for year	Average annual rate of decline for the 5-year period ending with the year
1955	1,239,000	
1960	909,000	6.0%
1965	753,000	3.7
1970	640,000	3.2
1975	548,000	3.1
1980	532,000	0.6
1985	372,000	6.9
1990	296,000	4.5
1995	265,000	2.2
2000	246,000	1.5

Between 1955 and 2000, the average annual rate of decline was 3.5 percent. Since 1995, average employment and rates of decline have been as follows:

Year	Average employment for year	Annual rate of decline from previous year
1996	257,000	3.0%
1997	253,000	1.6
1998	256,000	(1.2)
1999	256,000	0.0
2000	246,000	3.9
2001	237,000	3.7

[1] The long-term rate of investment return was increased to 8% for calendar years 2003 and later. The presentation of projected account balances in tables showing the progress of the accounts has been changed from book value less benefits due to market value with no adjustment for benefits due. The assumed rates of age retirement for employees with 30 years of service were changed to .55 and .65 at ages 60 and 61, respectively, in calendar year 2002, and to .55, .40, .40 and .40 at ages 60, 61, 62 and 63, respectively, in calendar years 2003 and later. The assumed rates of disability retirement for employees with 30 years of service were changed to .0071, 0 and 0 at ages 60, 61 and 62, respectively, in calendar years 2002 and later.

Two things become clear from the figures shown -- (1) railroad employment has continued to decline over a long period of years, and (2) the rate of decline has been irregular.

Three employment assumptions were used in the 21st actuarial valuation, which served as the 2000 annual report required by Section 502. Employment assumptions I and II were based on a model developed by the Association of American Railroads, and assumed that (1) passenger employment will remain at the level of 45,000, and (2) the employment base, excluding passenger employment, will decline at a constant annual rate (1.5 percent for assumption I and 3.0 percent for assumption II) for 25 years, at a reducing rate over the next 25 years, and remain level thereafter. Employment assumption III differed from employment assumptions I and II by assuming that (1) passenger employment will decline by 500 per year until a level of 35,000 is reached and then remain level, and (2) the employment base, excluding passenger employment, will decline at a constant annual rate of 4.5 percent for 25 years, at a reducing rate over the next 25 years, and remain level thereafter.

The 2001 annual report continued the use of the three employment assumptions, updating them as to current employment levels.

The projected average employment for 2001, based on the three employment assumptions used in the 2001 report, ranged from 237,000 to 243,000. The actual average employment for 2001 was 237,000 (subject to later adjustment), which equals the projected level under employment assumption III. Passenger employment for 2001 was estimated to be 45,000. Based on this result, it was decided to use 2001 average employment as a starting point in this year's report and continue the use of the rates of decline used in the 21st valuation. For employment assumptions I and II, passenger employment is assumed to remain level at 45,000. For employment assumption III, passenger employment is assumed to decline by 500 per year until a level of 35,000 is reached and then remain level. These assumptions are shown in Table 1.

IV. RESULTS

Projections were made for the various components of income and outgo under each employment assumption for the 25 calendar years 2002-2026. The projections of these components were combined and the investment income calculated to produce the projected balances in the accounts at the end of each projection year. The results are summarized in Table 2 and Figure 1.

Table 2 consists of three tables, one for each of employment assumptions I, II and III. The tables show, for the SSEBA and the combined NRRIT and RRA, (1) the various elements of income and outgo, (2) the account balance on December 31, and (3) beginning in 2003, the ABR and AABR. Calendar year end projected ABR’s were used in this analysis because the projections are prepared on a calendar year basis, and calendar year end amounts should provide a reasonable approximation.

Table 2 indicates that cash-flow problems arise only under employment assumption III, and not until 2022. The results shown in Table 2 will be discussed separately for the SSEBA and the combined NRRIT and RRA.

A. Social Security Equivalent Benefit Account

The SSEBA pays the social security level of benefits and administrative expenses allocable to those benefits, and it receives as income the social security level of taxes. The SSEBA also receives or pays the financial interchange transfers between the railroad retirement and social security systems. The financial interchange transfer, subject to the qualification in the next paragraph, should be enough to offset any surplus or deficit for the year. The SSEBA can thus be regarded as automatically funded, the financial interchange being the mechanism for correcting any surplus or deficiency.

The qualification mentioned in the preceding paragraph arises because, in a relatively small number of cases, the railroad retirement system does not pay benefits when the social security system would. In these cases, mainly dependent children of retired railroad employees, the SSEBA collects an amount through the financial interchange but does not pay a corresponding benefit. This imbalance between outgo and income is small in any particular year.

The SSEBA must from time to time transfer to the NRRIT amounts not needed to pay current benefits and administrative expenses in such a manner as to maximize investment return to the Railroad Retirement system.

Due to prior period adjustments in financial interchange transfers, it is assumed that the SSEBA will generally maintain a balance of approximately two months of benefit payments so as to be able to pay benefits without borrowing in the event of a negative adjustment. However, if the NRRIT runs into cash-flow problems, the SSEBA is assumed to transfer enough of its accumulated funds to allow the NRRIT to meet its benefit obligations until the SSEBA is exhausted. Thereafter, the SSEBA is assumed to transfer to the NRRIT any excess of income over outgo, maintaining a zero balance.

The projected balance in the SSEBA falls below two months of benefits in 2006 and periodically thereafter due to expected quinquennial transfers to social security for pre-1957 military service benefit costs required by P.L. 88-133.

B. Railroad Retirement Account and National Railroad Retirement Investment Trust

The RRA receives tier 2 payroll taxes and income taxes on tier 2 and excess tier 1 benefits. The RRA pays administrative expenses and transfers amounts in excess of the amount needed for administrative expenses to the NRRIT. The NRRIT receives transfers from the RRA and SSEBA, and pays tier 2, excess tier 1 and supplemental annuity benefits, and administrative expenses. Beginning in calendar year 2004, the tier 2 payroll tax rate is determined from a tax rate table based on the AABR.

The combined employer and employee tier 2 tax rate is 18% for values of the AABR between 4.0 and 6.0, inclusive. A maximum rate of 27% is reached when the AABR falls below 2.5 and a minimum rate of 8.2% is reached when the AABR reaches 9.0. Since the AABR is a 10-year average of the ABR's, whether the AABR in a given year increases or decreases from the prior year depends solely on whether the ABR in the given year is greater or less than the ABR 10 years earlier.

Under employment assumption I (Table 2-I), the combined NRRIT and RRA balance grows through 2010 and then begins to decline. The ABR and AABR fall below 4.0 in 2016 and 2021, respectively. The combined employer and employee tier 2 tax rate increases to 19.0% in 2022, and 20.0% in 2026. After reaching a minimum in 2023, the balance increases through the end of the projection period.

Under employment assumption II (Table 2-II), the combined NRRIT and RRA balance grows through 2008 and then declines. The ABR and AABR fall below 4.0 in 2013 and 2018, respectively. The tier 2 tax rate increases to 19.0% in calendar year 2019. The AABR continues to decline until the tier 2 tax rate reaches a maximum level of 27% in 2024. Although the balance continues to decline through 2026, the rate of decline is decreased significantly by the increase in tax rate.

Under employment assumption III (Table 2-III), the combined NRRIT and RRA balance grows through 2006 and then declines. The ABR declines throughout the projection period, falling below 4.0 and 2.5 in calendar years 2012 and 2015, respectively. Due to the effect of 10-year averaging, the AABR first increases to 6.0 in 2006, and then declines throughout the remainder of the projection period, falling below 4.0 and 2.5 in 2016 and 2020, respectively. As a result, the tier 2 tax rate first increases to 19.0% in 2017 and then reaches the maximum of 27% in 2021. The increase in tax rate is not sufficient to offset the decline in account balance, and cash flow problems occur in 2022.

C. Analysis of Results

Under employment assumptions I and II, no cash flow problems occur throughout the 25-year projection period, and the ABR remains above 0.5 in each year. Under employment assumption III, cash flow problems occur in 2022. In order to maintain an ABR of at least 0.5 throughout the projection period under employment assumption III, the increase in tier 2 tax rate to 27% would need to be accelerated to calendar year 2012. Alternatively, increasing the tier 2 tax rate to 21.5% beginning in calendar year 2003 would also maintain an ABR of at least 0.5 throughout the projection period.

The overall conclusion is that, barring a sudden, unanticipated, large decrease in railroad employment or substantial investment losses, the railroad retirement system will experience no cash flow problems for at least 19 years. The long-term stability of the system, however, is still questionable. Under the current financing structure, actual levels of railroad employment and investment return over the coming years will largely determine whether corrective action is necessary.

D. Comparison of Results with 2001 Report

The projected account balances are generally not comparable to last year's report due to significant changes in benefit and financing provisions. Projected benefits are higher due to benefit liberalizations. Tier 2 taxes are lower in the initial projection years but increase to higher levels under two employment assumptions due to an automatic tax adjustment mechanism. Expected investment return is higher due to expanded investment opportunities.

V. RECOMMENDATIONS

As stated in the introduction, this report must contain recommendations with regard to (1) tax rates and (2) whether any part of the taxes on employers should be diverted to the Railroad Unemployment Insurance Account to aid in the repayment of any debt to the RR Account.

A. Tax Rates

This report recommends no change in the rate of tax imposed on employers and employees. A tax adjustment mechanism will automatically increase or decrease tax rates in response to changes in fund balance. Even under a pessimistic employment assumption, this mechanism is expected to prevent cash flow problems for at least 19 years.

B. Diversion of Taxes to Railroad Unemployment Insurance Account

No diversion of taxes from the Railroad Retirement Account to the Railroad Unemployment Insurance Account is recommended at this time. The loan outstanding from the Railroad Retirement Account to the Railroad Unemployment Insurance Account on April 30, 2002, is expected to be repaid in calendar year 2003 without any diversion of taxes.

Table 1. Employment Assumptions Used in the 2002 Actuarial Report

Calendar year	Average employment (thousands)		
	I	II	III
2001	237	237	237
2002	234	231	228
2003	231	226	219
2004	228	220	211
2005	226	215	203
2006	223	210	195
2007	220	205	188
2008	218	200	181
2009	215	195	174
2010	213	191	167
2011	210	187	161
2012	208	182	155
2013	205	178	149
2014	203	174	144
2015	200	170	139
2016	198	167	134
2017	196	163	129
2018	193	159	124
2019	191	156	120
2020	189	153	116
2021	187	149	111
2022	185	146	108
2023	183	143	105
2024	181	140	102
2025	179	137	99
2026	177	135	96

Table 2-I. Progress of the National Railroad Retirement Investment Trust (NRRIT), Railroad Retirement Account (RRA) and
Social Security Equivalent Benefit Account (SSEBA) under Employment Assumption I
(Dollar amounts in millions)

				Combined NRRIT and RRA				SSEBA				
Calendar year	Account benefits ratio	Average account benefits ratio	Tier 2 tax rate	Benefits and administration	Tax income[a]	Other income[b]	Balance, end year	Benefits and administration	Tax income[a]	Other income and expense[c]	Balance, end year	Combined balance, end year
2002			20.5%	$3,453	$2,778	$2,134	$20,116	$5,287	$2,190	$2,120	$877	$20,993
2003	5.76	5.80	19.1%	3,621	2,674	1,676	20,845	5,298	2,239	3,061	879	21,724
2004	5.72	5.90	18.0%	3,744	2,599	1,711	21,412	5,405	2,293	3,130	897	22,309
2005	5.68	6.00	18.0%	3,864	2,664	1,754	21,965	5,526	2,349	3,197	916	22,881
2006	5.60	6.00	18.0%	4,000	2,731	1,693	22,389	5,648	2,406	3,190	863	23,252
2007	5.45	6.00	18.0%	4,174	2,801	1,751	22,767	5,768	2,462	3,399	956	23,723
2008	5.29	5.90	18.0%	4,368	2,873	1,855	23,127	5,901	2,519	3,403	978	24,105
2009	5.15	5.80	18.0%	4,548	2,947	1,877	23,403	6,072	2,580	3,520	1,007	24,410
2010	5.00	5.70	18.0%	4,722	3,023	1,894	23,598	6,267	2,644	3,655	1,039	24,637
2011	4.81	5.50	18.0%	4,907	3,102	1,800	23,593	6,468	2,710	3,704	984	24,577
2012	4.61	5.40	18.0%	5,098	3,184	1,810	23,490	6,683	2,778	4,028	1,108	24,598
2013	4.43	5.20	18.0%	5,280	3,269	1,894	23,374	6,916	2,852	4,102	1,146	24,520
2014	4.24	5.10	18.0%	5,456	3,357	1,885	23,159	7,158	2,928	4,270	1,187	24,346
2015	4.06	4.90	18.0%	5,624	3,447	1,869	22,851	7,406	3,009	4,437	1,228	24,079
2016	3.87	4.70	18.0%	5,767	3,539	1,720	22,343	7,661	3,094	4,526	1,186	23,529
2017	3.71	4.60	18.0%	5,885	3,635	1,719	21,811	7,919	3,185	4,860	1,313	23,124
2018	3.57	4.40	18.0%	5,982	3,732	1,773	21,334	8,168	3,280	4,929	1,354	22,688
2019	3.44	4.20	18.0%	6,055	3,833	1,744	20,857	8,402	3,381	5,060	1,393	22,250
2020	3.34	4.10	18.0%	6,107	3,937	1,716	20,404	8,615	3,485	5,165	1,428	21,832
2021	3.23	3.90	18.0%	6,141	4,044	1,528	19,835	8,807	3,594	5,208	1,423	21,258
2022	3.19	3.80	19.0%	6,158	4,358	1,626	19,661	8,981	3,706	5,340	1,488	21,149
2023	3.18	3.60	19.0%	6,169	4,476	1,661	19,629	9,140	3,820	5,346	1,514	21,143
2024	3.19	3.50	19.0%	6,183	4,596	1,669	19,710	9,282	3,937	5,368	1,537	21,247
2025	3.21	3.40	19.0%	6,202	4,720	1,684	19,912	9,414	4,056	5,380	1,559	21,471
2026	3.27	3.40	20.0%	6,219	5,077	1,542	20,313	9,544	4,177	5,388	1,580	21,893

[a] Includes payroll taxes and income taxes on benefits.

[b] Includes investment income, transfers from SSEBA and in calendar year 2002 the balance of the Railroad Retirement Supplemental Account.

[c] Other income includes financial interchange income, advances from general revenues, and interest income. Other expense includes repayment of advances from general revenues and transfers to the NRRIT.

Table 2-II. Progress of the National Railroad Retirement Investment Trust (NRRIT), Railroad Retirement Account (RRA) and
Social Security Equivalent Benefit Account (SSEBA) under Employment Assumption II
(Dollar amounts in millions)

				Combined NRRIT and RRA				SSEBA				
Calendar year	Account benefits ratio	Average account benefits ratio	Tier 2 tax rate	Benefits and admin-istration	Tax income[a]	Other income[b]	Balance, end year	Benefits and admin-istration	Tax income[a]	Other income and expense[c]	Balance, end year	Combined balance, end year
2002			20.5%	$3,453	$2,760	$2,133	$20,098	$5,287	$2,176	$2,134	$877	$20,975
2003	5.74	5.80	19.1%	3,621	2,630	1,673	20,779	5,298	2,203	3,097	879	21,658
2004	5.68	5.90	18.0%	3,744	2,531	1,703	21,270	5,405	2,234	3,189	897	22,167
2005	5.62	5.90	18.0%	3,864	2,569	1,739	21,715	5,526	2,266	3,280	916	22,631
2006	5.50	6.00	18.0%	4,000	2,608	1,668	21,991	5,648	2,297	3,298	863	22,854
2007	5.31	6.00	18.0%	4,174	2,648	1,713	22,178	5,768	2,326	3,535	956	23,134
2008	5.11	5.90	18.0%	4,368	2,690	1,801	22,301	5,901	2,356	3,567	978	23,279
2009	4.90	5.80	18.0%	4,548	2,732	1,802	22,287	6,071	2,387	3,712	1,007	23,294
2010	4.69	5.60	18.0%	4,722	2,775	1,795	22,135	6,266	2,420	3,878	1,039	23,174
2011	4.43	5.30	18.0%	4,907	2,819	1,671	21,719	6,467	2,454	3,958	984	22,703
2012	4.15	5.20	18.0%	5,097	2,865	1,648	21,134	6,681	2,490	4,314	1,108	22,242
2013	3.88	5.00	18.0%	5,279	2,913	1,692	20,460	6,913	2,529	4,422	1,146	21,606
2014	3.59	4.80	18.0%	5,456	2,962	1,636	19,603	7,154	2,570	4,623	1,186	20,789
2015	3.30	4.50	18.0%	5,623	3,013	1,567	18,561	7,399	2,614	4,825	1,226	19,787
2016	2.99	4.30	18.0%	5,765	3,064	1,358	17,218	7,652	2,661	4,949	1,185	18,403
2017	2.68	4.00	18.0%	5,882	3,117	1,289	15,741	7,906	2,713	5,318	1,310	17,051
2018	2.38	3.70	18.0%	5,978	3,170	1,266	14,200	8,149	2,767	5,422	1,351	15,551
2019	2.10	3.50	19.0%	6,048	3,381	1,156	12,688	8,376	2,825	5,588	1,388	14,076
2020	1.82	3.20	19.0%	6,098	3,440	1,044	11,074	8,581	2,886	5,729	1,422	12,496
2021	1.53	2.90	20.0%	6,129	3,662	767	9,375	8,762	2,949	5,808	1,417	10,792
2022	1.34	2.60	23.0%	6,142	4,219	786	8,238	8,924	3,014	5,972	1,479	9,717
2023	1.16	2.30	23.0%	6,148	4,295	742	7,126	9,067	3,080	6,011	1,502	8,628
2024	1.09	2.10	27.0%	6,155	5,054	689	6,715	9,192	3,147	6,065	1,522	8,237
2025	1.03	1.90	27.0%	6,165	5,147	664	6,361	9,304	3,214	6,108	1,541	7,902
2026	0.96	1.70	27.0%	6,171	5,241	468	5,899	9,411	3,283	6,146	1,558	7,457

[a] Includes payroll taxes and income taxes on benefits.

[b] Includes investment income, transfers from SSEBA and in calendar year 2002 the balance of the Railroad Retirement Supplemental Account.

[c] Other income includes financial interchange income, advances from general revenues, and interest income. Other expense includes repayment of advances from general revenues and transfers to the NRRIT.

Table 2-III. Progress of the National Railroad Retirement Investment Trust (NRRIT), Railroad Retirement Account (RRA) and Social Security Equivalent Benefit Account (SSEBA) under Employment Assumption III
(Dollar amounts in millions)

				Combined NRRIT and RRA				SSEBA				
Calendar year	Account benefits ratio	Average account benefits ratio	Tier 2 tax rate	Benefits and administration	Tax income[a]	Other income[b]	Balance, end year	Benefits and administration	Tax income[a]	Other income and expense[c]	Balance, end year	Combined balance, end year
2002			20.5%	$3,453	$2,739	$2,133	$20,077	$5,287	$2,160	$2,149	$877	$20,954
2003	5.72	5.80	19.1%	3,621	2,578	1,669	20,703	5,298	2,160	3,139	879	21,582
2004	5.64	5.90	18.0%	3,744	2,454	1,694	21,107	5,405	2,166	3,257	897	22,004
2005	5.54	5.90	18.0%	3,864	2,462	1,722	21,426	5,526	2,171	3,375	916	22,342
2006	5.38	6.00	18.0%	4,000	2,469	1,640	21,535	5,648	2,173	3,422	863	22,398
2007	5.15	5.90	18.0%	4,174	2,477	1,670	21,508	5,768	2,174	3,687	956	22,464
2008	4.89	5.80	18.0%	4,368	2,486	1,739	21,366	5,901	2,173	3,749	978	22,344
2009	4.62	5.70	18.0%	4,548	2,495	1,718	21,030	6,071	2,174	3,925	1,007	22,037
2010	4.34	5.50	18.0%	4,722	2,503	1,684	20,495	6,265	2,175	4,122	1,039	21,534
2011	4.00	5.20	18.0%	4,907	2,512	1,528	19,628	6,466	2,177	4,234	984	20,612
2012	3.63	4.90	18.0%	5,097	2,522	1,467	18,519	6,679	2,179	4,623	1,107	19,626
2013	3.27	4.70	18.0%	5,279	2,533	1,468	17,240	6,909	2,184	4,763	1,145	18,385
2014	2.88	4.40	18.0%	5,455	2,544	1,362	15,691	7,149	2,190	4,998	1,185	16,876
2015	2.47	4.10	18.0%	5,621	2,555	1,236	13,861	7,391	2,198	5,234	1,225	15,086
2016	2.02	3.80	18.0%	5,763	2,566	962	11,627	7,641	2,207	5,392	1,184	12,811
2017	1.58	3.40	19.0%	5,879	2,698	826	9,271	7,890	2,221	5,794	1,308	10,579
2018	1.15	3.00	20.0%	5,973	2,829	736	6,863	8,127	2,235	5,931	1,347	8,210
2019	0.70	2.70	20.0%	6,041	2,841	549	4,212	8,347	2,253	6,130	1,383	5,595
2020	0.28	2.20	23.0%	6,088	3,216	358	1,698	8,542	2,272	6,303	1,416	3,114
2021	0.00	1.80	27.0%	6,115	3,718	700	-	8,712	2,294	5,732	729	729
2022	-0.27	1.50	27.0%	6,124	3,744	753	(1,627)	8,860	2,320	5,811	-	(1,627)
2023	-0.68	1.10	27.0%	6,124	3,774	(162)	(4,139)	8,987	2,349	6,638	-	(4,139)
2024	-1.11	0.70	27.0%	6,124	3,806	(361)	(6,818)	9,093	2,379	6,714	-	(6,818)
2025	-1.58	0.30	27.0%	6,123	3,840	(573)	(9,675)	9,184	2,409	6,775	-	(9,675)
2026	-2.11	-0.30	27.0%	6,118	3,875	(974)	(12,892)	9,266	2,440	6,826	-	(12,892)

[a] Includes payroll taxes and income taxes on benefits.
[b] Includes investment income, transfers from SSEBA and in calendar year 2002 the balance of the Railroad Retirement Supplemental Account.
[c] Other income includes financial interchange income, advances from general revenues, and interest income. Other expense includes repayment of advances from general revenues and transfers to the NRRIT.

Figure 1. Combined NRRIT, RRA and SSEBA Balance
(In millions)